

**MULTIMEDIA**



**UNIVERSITY**

**STUDENT ID NO**

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

**TRIMESTER 1, 2021 / 2022**

### **DBL5624 – PRINCIPLES OF COMPANY LAW**

(For Diploma Students Only)

19 NOVEMBER 2021

9.00 a.m. – 11.00 a.m.

(2 Hours)

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#### **INSTRUCTIONS TO STUDENT**

1. This question paper consists of **2** pages with 4 questions.
2. Answer all questions.
3. You are required to cite relevant provisions and case laws.
4. Write all your answers in the Answer Sheets provided.

**QUESTION 1**

- a) Era Sdn. Bhd is a publishing company in Malaysia. Era Sdn. Bhd conducted their meeting in July 2020. During the meeting, one of the members, Jason, needed to be quarantined because he was a close contact to the COVID-19 patient. Therefore, he appointed Calvin, to attend the meeting on his behalf. During the meeting, Jimin refused for Calvin to vote and exercise his right. Jimin argued that Calvin is not a shareholder in the company. Calvin defended that he had been appointed but Jimin still refused to accept it

Discuss whether Calvin can exercise his right during the meeting? (10 marks)

- b) Briefly explain the following:

(i) Venue (3 marks)

(ii) Chairperson . (4 marks)

(iii) Minutes . (8 marks)

**[Total: 25 Marks]**

**QUESTION 2**

- a) Yuni and Jenny love fashion. They decide to set up their own company named Modest Fashion Sdn. Bhd. Therefore, they want to appoint Jenny's friend Suzy, who lives in Singapore to become their company secretary. Suzy always gives the idea and helps them design the fashion since she holds a degree in Fashion Design Management. Moreover, Suzy is a Singaporean citizen and has never resided in Malaysia.

Discuss whether Suzy is qualified to become a company secretary based on Companies Act 2016? (10 marks)

- b) Discuss the resignation process of a company secretary by referring to the Companies Act 2016. (12 marks)
- c) Explain the removal of a secretary by referring to the Companies Act 2016. (3 marks)

**[Total: 25 Marks]**

**Continued...**

**QUESTION 3**

- a) Company auditors continue to play an important role in the auditing of the records and accounts of companies.

Discuss the appointment of auditor in public companies according to Companies Act 2016. (15 marks)

- b) Sandbox Sdn. Bhd is a well-known company in Malaysia. The company is the leading e-commerce platform that provides an easy and fast online shopping experience. Recently, their auditor of the company resigned due to his health condition. Therefore, Lee, the major shareholder in the company, proposed Fiona to become their auditor. She is an experienced and qualified auditor that has been approved by the minister. The majority of the shareholders agreed with that appointment. However, one day, it came to the knowledge that Fiona has indebted the company amounted RM 15,500.00. Due to that, they argued that Fiona is disqualified from becoming the auditor in the company.

Advise whether Fiona is disqualified to be an auditor according to Companies Act 2016? (10 marks)

**[Total: 25 Marks]**

**QUESTION 4**

- a) Company once created by law can only be dissolved by a process of law.  
Explain the creditor's voluntary winding up procedures. (10 marks)

- b) Summersea Sdn. Bhd was established in 2012. The company runs the hotel and tourism industry. They have 5 branches of resorts in Malaysia. In 2019, Summersea Sdn Bhd took out a loan from MyBank. Bhd amounting to RM 1,500,000.00 to expand their business. However, due to the pandemic COVID-19, the tourism industry has been severely affected. Therefore, the 5 branches' profit has stopped drastically and they failed to pay the installments of the loan. Therefore, MyBank Bhd has demanded the arrears of payment by serving few notices to them. Until today, Summersea Sdn. Bhd never responded to the notices.

As a legal advisor, advise MyBank Bhd whether they can apply for compulsory winding up by court? (15 marks)

**[Total: 25 Marks]**

**End of Paper**